

ORIGINAL



0000102030

RECEIVED

2009 AUG 27 P 12: 22

AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

In re:

DOCKET No. S-20692A-09-0372

MICHAEL C. REYNOLDS, a married man;

**NOTICE OF OPPORTUNITY FOR HEARING
REGARDING PROPOSED ORDER TO
CEASE AND DESIST, ORDER FOR
RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES AND FOR
OTHER AFFIRMATIVE ACTION**

TANZIA REYNOLDS, a married woman

CASH 2 U, LLC, an Arizona limited
liability company;

DOS NINAS, LLC, an Arizona limited
liability company;

PAR 3 MANAGEMENT, LLC, an Arizona
limited liability company;

Respondents.

Tanzia Reynolds ("Tanzia"), hereby Answers the Complaint filed on July 21, 2009, and received July 31, 2009. Respondent Tanzia hereby files the Answer and Affirmative Defenses to Arizona Corporation Commission's ("Commission") Notice and admits, denies and alleges as follows:

I.

JURISDICTIONS

Respondent Tanzia admits the allegation contained in Article 1.

II

RESPONDENTS

1. Respondent Tanzia admits that Michael C, Reynolds ("Reynolds") is an individual who, at all relevant times, resided in Maricopa County, Arizona.

Arizona Corporation Commission

DOCKETED

AUG 27 2009

DOCKETED BY

2. Respondent Tanzania lacks sufficient information to form a belief that at all relevant times, Reynolds conducted business as Friendship Finance or Friendship Finance, LLC (collectively “Friendship”) and therefore denies the allegation in Article II, Item 2.

3. Respondent Tanzania admits that she is an individual who, at all relevant times, resided in Maricopa County, Arizona.

4. Respondent Tanzania admits, that she is married and currently residing in Maricopa County, Arizona. Respondent Tanzania denies that any alleged actions claimed against Reynolds were done in furtherance of the marital community of the Respondents or were a benefit to the marital community.

5. Respondent Tanzia admits the allegations made in Article II, Item 5 of the Notice.

6. Respondent Tanzania admits the allegations made in Article II, Item 6 of the Notice.

7. Respondent Tanzia admits the allegations made in Article II, Item 7 of the Notice.

8. Respondent Tanzia admits the allegations made in Article II, Item 8 of the Notice.

9. Respondent Tanzia admits the allegations made in Article II, Item 9 of the Notice.

10. Respondent Tanzia admits the allegations made in Article II, Item 10 of the Notice.

11. Respondent Tanzania admits the allegations made in Article II, Item 11 of the Notice.

12. Respondent Tanzania admits that she is referred collectively with Reynolds, Cash 2 U, LLC, Dos Ninas LLC, and Par 3 Management, LLC as a Respondent in the Notice prepared by the Commission. Respondent Tanzania denies that she should be included as a collective respondent as she lacks sufficient information to form a belief regarding all claims herein.

III

FACTS

13. Respondent Tanzia denies the allegations contained in Article III, Item 13 of the Notice.

14. Respondent Tanzania lacks sufficient information to form a belief as to what was represented and therefore denies the allegations contained in Article III, Item 14 of the Notice.

15. Respondent Tanzania lacks sufficient information to form a belief as to how much capital was raised, where investors resided, what was offered and how contracts were formed.

Respondent Tanzania therefore denies the allegations in Article III, Item 15.

1 16. Respondent Tanzania admits executing one (1) Promissory Note and lacks sufficient
2 information to form a belief as to any other Promissory Notes issued or signed and therefore
3 denies the remaining allegations of Article III-A, Item 16 of the Notice.

4 17. Respondent Tanzania admits the allegations contained in Article III-A, Item 17 of the
5 Notice.

6 18. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
7 contained in Article III-A, Item 18 of the Notice and therefore denies the same.

8 19. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
9 contained in Article III-A, Item 19 of the Notice and therefore denies the same.

10 20. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
11 contained in Article III-A, Item 20 of the Notice and therefore denies the same.

12 21. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
13 contained in Article III-A, Item 21 of the Notice and therefore denies the same.

14 22. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
15 contained in Article III-A, Item 22 of the Notice and therefore denies the same.

16 23. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
17 contained in Article III-A, Item 23 of the Notice and therefore denies the same.

18 24. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
19 contained in Article III-A, Item 20 of the Notice and therefore denies the same.

20 **B. INVESTMENT CONTRACT**

21 25. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
22 contained in Article III-B, Item 25 of the Notice and therefore denies the same.

23 26. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
24 contained in Article III-B, Item 26 of the Notice and therefore denies the same.

25 27. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
26 contained in Article III-B, Item 27 of the Notice and therefore denies the same.

27 28. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
28 contained in Article III-B, Item 28 of the Notice and therefore denies the same.

1 29. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
2 contained in Article III-B, Item 29 of the Notice and therefore denies the same.

3 30. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
4 contained in Article III-B, Item 30 of the Notice and therefore denies the same.

5 31. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
6 contained in Article III-B, Item 31 of the Notice and therefore denies the same.

7 32. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
8 contained in Article III-B, Item 32 of the Notice and therefore denies the same.

9 **C. GENERAL ALLEGATIONS**

10 33. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
11 contained in Article III-C, Item 33 of the Notice and therefore denies the same.

12 34. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
13 contained in Article III-C, Item 34 of the Notice and therefore denies the same.

14 35. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
15 contained in Article III-C, Item 35 of the Notice and therefore denies the same.

16 36. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
17 contained in Article III-C, Item 36 of the Notice and therefore denies the same.

18 37. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
19 contained in Article III-C, Item 37 of the Notice and therefore denies the same.

20 38. Respondent Tanzania denies the allegations contained in Article III-C, Item 38 of the
21 Notice.

22 39. Respondent Tanzania admits one deposit was made into her personal account; however,
23 denies she personally made the deposit. Respondent Tanzania lacks sufficient information as to
24 whether an investor authorized her to make a payment and therefore denies the allegations
25 contained in Article III-C, Item 39 of the Notice.

26 40. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
27 contained in Article III-C, Item 40 of the Notice and therefore denies the same.
28

1 41. Respondent Tanzania admits to not being registered with the Commission as a dealer or
2 salesman.

3 42. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
4 contained in Article III-C, Item 42 of the Notice and therefore denies the same except for the one
5 Promissory Note she did sign which was filed with a UCC Financing Statement and registered as
6 a Security instrument.

7 **IV**

8 **VIOLATION OF A.R.S. §44-1841**

9 43. Respondent Tanzania denies the allegations contained in Article IV, Item 43 of the Notice.

10 44. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
11 contained in Article IV, Item 44 of the Notice and therefore denies the same.

12 45. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
13 contained in Article IV, Item 45 of the Notice and therefore denies the same.

14 **V**

15 **VIOLATION OF A.R.S. §44-1842**

16 46. Respondent Tanzania denies the allegations contained in Article V, Item 46 of the Notice.

17 47. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
18 contained in Article V, Item 47 of the Notice and therefore denies the same.

19 **VI**

20 **VIOLATION OF A.R.S. §44-1991**

21 48. Respondent Tanzania denies the allegations contained in Article VI, Item 48(a)-(g) of the
22 Notice.

23 49. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
24 contained in Article VI, Item 49 of the Notice and therefore denies the same.

25 50. Respondent Tanzania lacks sufficient information to form a belief as to the allegation
26 contained in Article VI, Item 50 of the Notice and therefore denies the same.
27
28

1
2
3
4
5
6
7
8

VII

REQUESTED RELIEF

1. Respondent Tanzania denies the allegations contained in Article VII, Item 1 of the Notice.
2. Respondent Tanzania denies the allegations contained in Article VII, Item 2 of the Notice.
3. Respondent Tanzania denies the allegations contained in Article VII, Item 3 of the Notice.
4. Respondent Tanzania denies the allegations contained in Article VII, Item 4 of the Notice.
5. Respondent Tanzania denies the allegations contained in Article VII, Item 5 of the Notice.

VIII

Respondent Tanzania denies each and every allegation not specifically admitted or otherwise qualified herein.

AFFIRMATIVE DEFENSES

As for her affirmative defenses, Respondent Tanzania alleges:

- A. Failure to State a Claim;
B. Failure of Consideration;
C. Setoff;
D. Waiver;
E. Payment;
F. Accord and Satisfaction;
G. Release;
H. Estoppel;
I. Laches;
J. Non-Party at Fault;
K. Failure to plead with particularity;
L. Absence of benefit to the marital community – the matters alleged in the Notice did not benefit Respondent's marital community in any way and therefore Tanzania Reynolds is not a proper party to this proceeding.
M. Respondent Tanzania reserves the right to raise such other defenses as may be revealed through subsequent discovery and as is entitled to by law.

1 WHEREFORE, having fully answered the allegations in the Notice, Respondent Tanzania
2 requests that the Notice be dismissed and that Respondent Tanzania be awarded attorneys' fees and
3 costs incurred in connection with this action and any other further relief as may be deemed just
4 and proper.

5 DATED this 24th day of August 2009.

6
7
8
9
10 Tanzania Reynolds
11

12 *Hand delivered to:*

13
14 *Arizona Corporation Commission*

15 *1200 West Washington*

16 *Phoenix, Arizona 85007*

17
18 *Arizona Corporation Commission*

19 *Attn: Securities Division*

20 *c/o Aikaterine Vervilos*

21 *1300 West Washington, 3rd Floor*

22 *Phoenix, Arizona 85007*
23
24
25
26
27
28